



## China Duties: AEC Prepares for Annual Reviews

The early returns from the current phase of this listening tour suggest that business is improving for extruders and most of the folks I have met with are optimistic about the future. They feel good about the direction the Council is headed and they appreciate the opportunity to talk about their own company's needs and successes.

The import duty orders imposed last year on aluminum extrusions coming into the U.S. and Canada from China have been incredibly effective in leveling the playing field and creating opportunities for domestic extruders. Last month's edition of *essentiAs* included an article that illustrated just how effective these orders have been. The resources of the Aluminum Extruders Council and the will of you, AEC members, created these opportunities and re-established the principles of fair and equitable trade.

Now the key message is "stay the course!" There are numerous avenues available for those who wish to challenge these orders, and AEC remains in the forefront of defending this important work. The orders were made official in May of 2011. Since that time, there have been several appeals and more than two dozen requests for "waivers", officially known as Scope Requests. AEC, and the funds raised via your annual dues assessments, have allowed the U.S. industry to defend these orders successfully in 93 percent of the cases brought forward in the past year. Plus, the Council has maintained a presence in discovering and reporting illegal attempts to circumvent these orders. In short, your trade association, with your help, has remained on guard. As a result, the original orders remain in place and rock solid. The next big challenge comes in the form of a process known as the annual Administrative Review, which allows petitioners to re-argue the original case, presumably with new or further facts. Typically, the existence of duty orders such as ours, are not jeopardized during these Reviews. However, the calculations of the percentages can – and often are – modified. One of the targets of this round of annual reviews will be the "all others" rate for the CVD duty (countervailing duty to offset subsidies). That rate is currently at 375 percent; although it could be lowered via this review process. AEC's position will be to maintain the rate at a level high enough to fully offset the unfair advantage gained by producers in China who receive subsidies from their government.

Reviews ... scope challenges ... appeals ... enforcement ... all of this requires vigilance as well as a dedicated group of AEC members. And, of course, it also requires resources. Beginning with this year's dues assessments, and continuing into the future, the Council has been building a serious defense fund so that our legal arguments can be successfully transmitted to the proper authorities. The Council has been well served by King & Spalding, the firm who helped us argue the original case. We are now joined by a second firm, Wiley Rein LLP, who will handle the 2012 Administrative Review and most issues going forward.

Above all, the Council continues to be well served by the contributions of you, the members. Plus, we are fortunate to have a committed group of leaders including the Board of Directors and the oversight committee on Fair Trade. Both of these groups of members provide leadership and resources to make sure our hard-won victories in the battle for Fair Trade remain intact for years to come.

*September 2012*